

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE MUNICIPAL DERIVATIVES  
ANTITRUST LITIGATION

THIS DOCUMENT RELATES TO:

ALL ACTIONS

**ECF Case**

MDL No. 1950

Master Docket No. 08 CV 2516 (VM)

**ANSWER OF DEFENDANT  
NATIXIS FUNDING CORP.**

Defendant Natixis Funding Corp. (“Natixis Funding”), by undersigned counsel, for its answer to the Second Consolidated Amended Class Action Complaint in the above-captioned action (the “Complaint”), states as follows<sup>1</sup>:

**NATURE OF THE CASE**

1. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 1 of the Complaint.

2. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 2 of the Complaint.

3. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 3 of the Complaint.

4. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 4 of the Complaint.

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<sup>1</sup> Various headings appear throughout the Complaint; no answer to such headings is required but to the extent any response is required, any allegations contained in such headings are denied.

5. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 5 of the Complaint.

6. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 6 of the Complaint.

7. Natixis Funding denies the allegations in paragraph 7 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

### **JURISDICTION AND VENUE**

8. Natixis Funding states that the allegations in paragraph 8 of the Complaint set forth legal conclusions and/or arguments to which no response is necessary. To the extent a further response is required, the allegations in this paragraph are denied.

9. Natixis Funding states that the allegations in paragraph 9 of the Complaint set forth legal conclusions and/or arguments to which no response is necessary. To the extent a further response is required, the allegations in this paragraph are denied.

10. Natixis Funding states that the allegations in paragraph 10 of the Complaint set forth legal conclusions and/or arguments to which no response is necessary. To the extent a further response is required, the allegations in this paragraph are denied.

### **PLAINTIFFS**

11. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 11 of the Complaint.

12. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 12 of the Complaint.

13. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 13 of the Complaint.

14. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 14 of the Complaint.

15. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 15 of the Complaint.

16. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 16 of the Complaint.

17. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 17 of the Complaint.

18. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 18 of the Complaint.

19. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 19 of the Complaint.

### **PROVIDER DEFENDANTS**

20. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 20 of the Complaint.

21. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 21 of the Complaint.

22. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 22 of the Complaint.

23. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 23 of the Complaint.

24. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 24 of the Complaint.

25. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 25 of the Complaint.

26. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 26 of the Complaint.

27. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 27 of the Complaint.

28. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 28 of the Complaint.

29. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 29 of the Complaint.

30. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 30 of the Complaint.

### **BROKER DEFENDANTS**

31. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 31 of the Complaint.

32. Natixis Funding admits that it is a New York corporation with its principal place of business in New York, New York and that it has functioned as a provider with respect to certain transactions involving products that Plaintiffs have referred to as “Municipal Derivatives”. Natixis Funding denies that it has functioned as a broker with respect to such transactions and denies the remaining allegations of paragraph 32 of the Complaint.

33. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 33 of the Complaint.

34. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 34 of the Complaint.

35. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 35 of the Complaint.

36. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 36 of the Complaint.

37. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 37 of the Complaint.

**NAMED AND UNNAMED CO-CONSPIRATORS**

38. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 38 of the Complaint.

39. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 39 of the Complaint.

40. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 40 of the Complaint.

41. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 41 of the Complaint.

42. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 42 of the Complaint.

43. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 43 of the Complaint.

44. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 44 of the Complaint.

45. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 45 of the Complaint.

46. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 46 of the Complaint.

47. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 47 of the Complaint.

48. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 48 of the Complaint.

49. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 49 of the Complaint.

50. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 50 of the Complaint.

51. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 51 of the Complaint.

52. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 52 of the Complaint.

53. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 53 of the Complaint.

54. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 54 of the Complaint.

55. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 55 of the Complaint.

56. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 56 of the Complaint.

57. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 57 of the Complaint.

## **DEFINITIONS AND BACKGROUND**

### **MUNICIPAL BONDS**

58. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 58 of the Complaint.

59. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 59 of the Complaint.

60. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 60 of the Complaint.

61. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 61 of the Complaint.

62. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 62 of the Complaint.

63. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 63 of the Complaint.



### **MUNICIPAL DERIVATIVES**

64. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 64 of the Complaint.

65. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 65 of the Complaint.

66. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 66 of the Complaint.

67. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 67 of the Complaint.

68. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 68 of the Complaint.

69. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 69 of the Complaint.

70. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 70 of the Complaint.

71. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 71 of the Complaint.

72. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 72 of the Complaint.

73. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 73 of the Complaint.

74. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 74 of the Complaint.

75. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 75 of the Complaint.

76. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 76 of the Complaint.

77. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 77 of the Complaint.

78. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 78 of the Complaint.

79. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 79 of the Complaint.

80. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 80 of the Complaint.

#### **IRS RULES AND REGULATIONS**

81. Natixis Funding respectfully refers the Court to the IRS regulations for the terms thereof and denies all remaining allegations contained in paragraph 81 of the Complaint.

82. Natixis Funding respectfully refers the Court to the IRS regulations for the terms thereof and denies all remaining allegations contained in paragraph 82 of the Complaint.

83. Natixis Funding respectfully refers the Court to the IRS regulations for the terms thereof and denies all remaining allegations contained in paragraph 83 of the Complaint.

84. Natixis Funding respectfully refers the Court to the IRS regulations for the terms thereof. With respect to the remaining allegations contained in paragraph 84 of the Complaint, Natixis Funding denies the allegations to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations.

### **FACTUAL ALLEGATIONS**

#### **OVERVIEW OF WRONGDOING ALLEGED**

85. Natixis Funding denies the allegations in paragraph 85 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

86. Natixis Funding denies the allegations in paragraph 86 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

87. Natixis Funding denies the allegations in paragraph 87 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

88. Natixis Funding denies the allegations in paragraph 88 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

89. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 89 of the Complaint.

90. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 90 of the Complaint.

91. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 91 of the Complaint.

92. Natixis Funding denies the allegations in paragraph 92 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

93. Natixis Funding denies the allegations in paragraph 93 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

94. Natixis Funding admits that it maintained a desk in New York City that placed bids on certain transactions involving products that Plaintiffs have described as “Municipal Derivatives”. Natixis Funding denies that this was a “trading desk”. Natixis Funding admits that emails to and from this desk were routinely sent and telephonic conversations at this desk were routinely taped. With respect to the remaining allegations contained in paragraph 94 of the Complaint, Natixis Funding denies the allegations to the extent

they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations.

95. Natixis Funding denies the allegations in paragraph 95 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

96. Natixis Funding denies the allegations in paragraph 96 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

97. Natixis Funding denies the allegations in paragraph 97 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

98. Natixis Funding denies the allegations in paragraph 98 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

99. Natixis Funding denies the allegations in paragraph 99 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

**PARTIAL LISTING OF INDIVIDUAL PARTICIPANTS IN THE ALLEGED CONSPIRACY**

100. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 100 of the Complaint.

101. Natixis Funding admits that Michael Frasco was once a Managing Director at Natixis Funding, formerly CDC Funding, with responsibilities for transactions involving certain products that Plaintiffs have described as “Municipal Derivatives”. Natixis Funding denies that Mr. Frasco is currently employed by Natixis Funding in any capacity, denies that Natixis Funding has functioned as a broker with respect to such transactions, and denies that David Lail was the recipient of kickbacks from CDC. To the extent that subparagraph 101(e) makes reference to other paragraphs of the Complaint, Natixis Funding respectfully refers to the responses to those paragraphs herein. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 101 of the Complaint.

102. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 102 of the Complaint.

103. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 103 of the Complaint.

104. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 104 of the Complaint.

105. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 105 of the Complaint.

106. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 106 of the Complaint.

107. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 107 of the Complaint.

108. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 108 of the Complaint.

109. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 109 of the Complaint.

110. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 110 of the Complaint.

111. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 111 of the Complaint.

112. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 112 of the Complaint.

113. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 113 of the Complaint.

114. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 114 of the Complaint.

115. Natixis Funding denies the allegations in paragraph 115 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

116. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 116 of the Complaint.

117. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 117 of the Complaint.

118. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 118 of the Complaint.

119. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 119 of the Complaint.

120. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 120 of the Complaint.

121. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 121 of the Complaint.

122. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 122 of the Complaint.

123. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 123 of the Complaint.

124. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 124 of the Complaint.



125. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 125 of the Complaint.

126. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 126 of the Complaint.

127. Natixis Funding denies that “Frasco of CDC did likewise with respect to Henderson County, the WVFHA, and IDFA”. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 127 of the Complaint.

128. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 128 of the Complaint.

129. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 129 of the Complaint.

130. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 130 of the Complaint.

131. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 131 of the Complaint.

132. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 132 of the Complaint.

133. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 133 of the Complaint.

134. Natixis Funding denies the allegations in the fifth, sixth, and last two sentences of paragraph 134 of the Complaint. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 134 of the Complaint.

135. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 135 of the Complaint.

136. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 136 of the Complaint.

137. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 137 of the Complaint.

138. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 138 of the Complaint.

#### **COLLUSIVE PRACTICES REGARDING NEGOTIATED TRANSACTIONS**

139. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 139 of the Complaint.

140. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 140 of the Complaint.

141. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 141 of the Complaint.

142. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 142 of the Complaint.

143. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 143 of the Complaint.

**COLLUSIVE COMMUNICATIONS AMONG PROVIDERS**

144. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 144 of the Complaint.

145. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 145 of the Complaint.

146. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 146 of the Complaint.

147. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 147 of the Complaint.

148. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 148 of the Complaint.

149. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 149 of the Complaint.

150. Natixis Funding denies that it is a member of SIFMA. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 150 of the Complaint.

151. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 151 of the Complaint.

152. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 152 of the Complaint.

153. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 153 of the Complaint.

154. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 154 of the Complaint.

#### **INTERNAL REVENUE SERVICE INVESTIGATION**

155. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 155 of the Complaint.

156. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 156 of the Complaint.

157. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 157 of the Complaint.

158. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 158 of the Complaint.

159. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 159 of the Complaint.

160. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 160 of the Complaint.

161. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 161 of the Complaint.

#### **ANTITRUST DIVISION INVESTIGATION**

162. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 162 of the Complaint.

163. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 163 of the Complaint.

164. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 164 of the Complaint.

165. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 165 of the Complaint.

166. Natixis Funding admits to having “received governmental subpoenas”. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 166 of the Complaint.

167. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 167 of the Complaint.

168. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 168 of the Complaint.

**THE DOJ GRANTS CONDITIONAL AMNESTY TO BANK OF AMERICA**

169. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 169 of the Complaint.

170. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 170 of the Complaint.

171. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 171 of the Complaint.

172. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 172 of the Complaint.

**INVESTIGATION BY STATE AGs**

173. Natixis Funding admits to having received “investigative requests from state AGs”. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 173 of the Complaint.

174. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 174 of the Complaint.

**ONGOING NATURE OF ALLEGED CONSPIRACY**

175. Natixis Funding denies the allegations in paragraph 175 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

176. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 176 of the Complaint.

177. Natixis Funding denies that Frasco is currently employed by Natixis Funding. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 177 of the Complaint.

178. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 178 of the Complaint.

179. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 179 of the Complaint.

180. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 180 of the Complaint.

181. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 181 of the Complaint.

182. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 182 of the Complaint.

### **CLASS ACTION ALLEGATIONS**

183. Natixis Funding states that the allegations in paragraph 183 of the Complaint set forth legal conclusions and/or arguments to which no response is necessary. To the extent a further response is required, the allegations in this paragraph are denied.

184. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 184 of the Complaint.

185. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 185 of the Complaint.

186. Natixis Funding states that the allegations in paragraph 186 of the Complaint set forth legal conclusions and/or arguments to which no response is necessary. To the extent a further response is required, the allegations in this paragraph are denied.

187. Natixis Funding states that the allegations in paragraph 187 of the Complaint set forth legal conclusions and/or arguments to which no response is necessary. To the extent a further response is required, the allegations in this paragraph are denied.

188. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 188 of the Complaint.

189. Natixis Funding states that the allegations in paragraph 189 of the Complaint set forth legal conclusions and/or arguments to which no response is necessary. To the extent a further response is required, the allegations in this paragraph are denied.

190. Natixis Funding states that the allegations in paragraph 190 of the Complaint set forth legal conclusions and/or arguments to which no response is necessary. To the extent a further response is required, the allegations in this paragraph are denied.



191. Natixis Funding states that the allegations in paragraph 191 of the Complaint set forth legal conclusions and/or arguments to which no response is necessary. To the extent a further response is required, the allegations in this paragraph are denied.

### **TRADE AND INTERSTATE COMMERCE**

192. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 192 of the Complaint.

193. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 193 of the Complaint.

194. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 194 of the Complaint.

### **CAUSE OF ACTION**

195. Natixis Funding states that the allegations in paragraph 195 of the Complaint set forth legal conclusions and/or arguments to which no response is necessary. To the extent a further response is required, the allegations in this paragraph are denied.

196. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 196 of the Complaint.

197. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 197 of the Complaint.

198. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 198 of the Complaint.

**ACCRUAL OF CLAIM, CONTINUING VIOLATION, EQUITABLE TOLLING,  
AND FRAUDULENT CONCEALMENT**

199. Natixis Funding denies the allegations in paragraph 199 of the Complaint.

200. Natixis Funding respectfully refers the Court to the *Bond Buyer* article for the language thereof and denies all remaining allegations contained in paragraph 200 of the Complaint.

201. Natixis Funding denies the allegations in paragraph 201 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

202. Natixis Funding denies the allegations in paragraph 202 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

203. Natixis Funding denies the allegations in paragraph 203 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

204. Natixis Funding denies that it was rigging bids or engaging in any other unlawful collusive practices alleged in the Complaint, and therefore admits that it has not “told Plaintiffs or other class members that [it was] rigging bids or engaging in the other unlawful collusive practices alleged [in the Complaint]”. With respect to the remaining allegations contained in paragraph 204 of the Complaint, Natixis Funding denies the allegations to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations.

205. Natixis Funding respectfully refers the Court to the IRS regulations for the terms thereof and denies all remaining allegations contained in paragraph 205 of the Complaint.

206. Natixis Funding denies the allegations in paragraph 206 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

207. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 207 of the Complaint.

208. Natixis Funding respectfully refers the Court to the referenced articles for the language thereof and denies all remaining allegations contained in paragraph 208 of the Complaint.

209. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 209 of the Complaint.

210. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 210 of the Complaint.

211. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 211 of the Complaint.

212. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 212 of the Complaint.

213. Natixis Funding denies the allegations in paragraph 213 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

214. Natixis Funding denies the allegations in paragraph 214 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

215. Natixis Funding denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 215 of the Complaint.

216. Natixis Funding denies the allegations in paragraph 216 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

217. Natixis Funding respectfully refers the Court to the referenced news reports for the language thereof and denies all remaining allegations contained in paragraph 217 of the Complaint.

218. Natixis Funding denies the allegations in paragraph 218 of the Complaint to the extent they are intended to apply to Natixis Funding, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations in this paragraph.

Natixis denies all other remaining allegations of the Complaint not specifically denied herein.

### **AFFIRMATIVE DEFENSES**

As further, separate, and affirmative defenses, without assuming the burden of proof of any such defense that would otherwise rest with Plaintiff, Natixis Funding asserts the following:

1. The Complaint, in whole or in part, fails to state a claim upon which relief may be granted.
2. The named Plaintiffs and/or others claimed to be members of the putative class lack standing to assert their claims and/or to seek some or all of the requested relief.
3. The named Plaintiffs and/or others claimed to be members of the putative class have sustained no injury in fact or damages caused by any act or omission of Natixis Funding.
4. The named Plaintiffs and/or others claimed to be members of the putative class have not suffered and will not suffer any injury that is cognizable under the antitrust laws.
5. The claims of the named Plaintiffs and/or others claimed to be members of the putative class are precluded by the federal statutes and regulations, and enforcement thereof, governing the investment of the proceeds of tax-exempt bonds.
6. The activities of Natixis Funding alleged in the Complaint do not give rise to antitrust liability because they did not result in adverse effects on competition or, in the alternative, any such effects were outweighed by the pro-competitive benefits of the activities.

7. Injuries alleged by the named Plaintiffs and/or others claimed to be members of the putative class were caused in whole or in part by the conduct of third parties for whom Natixis Funding was not responsible, through forces in the marketplace over which Natixis Funding has no control, or through acts or omissions on the part of one or more of the named Plaintiffs and/or others claimed to be members of the putative class.

8. Any and all of Natixis Funding's actions challenged by named Plaintiffs were lawful, justified, and pro-competitive, constitute bona fide business competition, and were carried out in furtherance of Natixis Funding's legitimate business interests.

9. The claims of the named Plaintiffs and/or others claimed to be members of the putative class are barred, in whole or in part, by the applicable statutes of limitations.

10. The claims of the named Plaintiffs and/or others claimed to be members of the putative class are barred, in whole or in part, by the doctrine of laches.

11. The claims of the named Plaintiffs and/or others claimed to be members of the putative class are barred, in whole or in part, under the doctrine of unclean hands.

12. The claims of the named Plaintiffs and/or others claimed to be members of the putative class are barred, in whole or in part, under the doctrines of waiver and/or estoppel.

13. The claims of the named Plaintiffs and/or others claimed to be members of the putative class are barred, in whole or in part, because the alleged damages sought are too speculative and uncertain.

14. Assuming without conceding that the Complaint states a claim against Natixis Funding, named Plaintiffs and/or others claimed to be members of the putative class have failed to mitigate their damages, if any.

15. The claims of named Plaintiffs and/or others claimed to be members of the putative class are subject to setoff.

16. The claims of named Plaintiffs and/or others claimed to be members of the putative class are barred in whole or in part on the grounds that their own conduct caused, or in the alternative, contributed to their damages.

17. The claims of named Plaintiffs and/or others claimed to be members of the putative class are barred in whole or in part because they consented to and/or ratified all of the alleged acts and omissions of which they complain.

18. While Natixis Funding denies joining any conspiracy alleged in the Complaint, to the extent that Natixis Funding is deemed to have joined any conspiracy alleged in the Complaint, it withdrew from such conspiracy.

19. Natixis Funding incorporates by reference, as if fully set forth herein, all other affirmative defenses asserted by other defendants to this action.

20. Natixis Funding reserves the right to raise additional defenses that may become available or appear during discovery proceedings or otherwise in this case and hereby reserves its right to amend this Answer to include any such defense.

Natixis Funding denies the allegations in the prayer for relief.

**WHEREFORE**, Natixis Funding denies that Plaintiffs are entitled to any of the requested relief and respectfully requests entry of judgment dismissing the Complaint with prejudice and awarding to Natixis Funding any further relief that this Court deems just and proper, including attorneys' fees and costs.

Dated: June 4, 2010  
New York, New York

DAVIS & GILBERT LLP

s/ Howard J. Rubin  
Howard J. Rubin  
James R. Levine  
Peggy S. Chen  
1740 Broadway  
New York, New York 10019  
(212) 468-4800

*Attorneys for Natixis Funding Corp.*